

## Fed worker pay freeze would ding DC-area economy

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SILVER SPRING, Md. -- For the average federal worker, the Obama administration's proposed two-year pay freeze is likely to have a relatively modest impact - maybe \$20 to \$30 a week less than they would have received as part of their yearly raises.

But add up all those paychecks for the 380,000 or so federal workers who populate Washington and its suburbs in Maryland and Virginia, and the region stands to take a hit of perhaps \$750 million, according to an area economist.

Reactions from federal workers in the D.C. area ranged from grudging acceptance to the feeling that they're too often treated as scapegoats by those angry about government spending. Several, including Food and Drug Administration employee Carol Doyle, said they were thankful to have jobs during tough times.

"It's going to hurt, but I think we'll probably be fine," said Doyle, 58, of Germantown, Md. "It's two years, and from my understanding the wage increase wasn't going to be that much anyway."

An initial proposal had been for workers to receive a 1.4 percent raise in 2011. The plan President [Barack Obama](#) announced Monday, which requires congressional approval, would nix that and a raise for the following year. The proposal does not affect members of the military.

The region around the nation's capital benefits like nowhere else from federal largesse. But when Uncle Sam reins in spending, the pain is concentrated here as well. More than 15 percent of the nation's 2.1 million federal workers reside in the D.C. area, including 45-year-old Karen Proctor of Temple Hills, Md.

Proctor, a passport specialist for the State Department, said her first reaction is that she may need to look for a second job. The mother of three young children earns about \$72,000 a year.

"I was shocked," she said. "Are my expenses going to freeze for the next two years? Is my health care going to freeze for the next two years?"

In aggregate, the frozen salaries would stand to slow the region's economic growth, though one economist doesn't expect the area to be devastated.

"The resilience of this (region's) economy will protect it from being crippled, but I think it is worrisome," said Stephen Fuller, economist and director of George Mason University's Center for Regional Analysis.

Fuller pointed out that the estimated \$750 million impact is not a cut - it is a figure that would be subtracted from the region's projected future growth. And the regional economy is projected to grow by roughly \$18 billion in 2011, so it's well-positioned to absorb the blow, especially since Washington has weathered the recession better than most cities.

But the pay freeze may just be the tip of the iceberg for greater Washington as the federal government looks for more ways to reduce spending. Government spending, including the many contractors in the region, accounts for roughly 35 percent of metropolitan Washington's \$410 billion economy, Fuller said.

In general, slower growth in an area can make it harder for job-seekers to find work, and small businesses can have a tougher time finding new customers.

Local and state governments are also expecting their tax rolls to suffer from the freeze.

"It's a considerable portion of our source of resident income - federal employment," said Montgomery County Council President Nancy Floreen, whose Maryland county neighbors Washington. "It's the reality of government these days, so it's no surprise and it creates a spiraling problem."

Maryland Treasurer Nancy Kopp echoed that sentiment, saying: "It will cost some revenue to our areas."

What upsets Social Security Administration employee and union officer Tom Webb is the singling out of federal employees, which he said feeds the perception of overpaid, undeserving federal bureaucrats.

"It's the constant belittling of federal employees," the 60-year-old Virginia resident said, adding that he expects two years without raises to affect his retirement benefit. "We're doing important business for the public. The people here work hard, and it does wear you down when you hear folks who don't know what we do attack us."

Kopp and Maryland's U.S. [Rep. Chris Van Hollen](#), whose district borders D.C., agreed that too much emphasis has been placed on how federal employees' salaries contribute to government spending.

Van Hollen, who will be the Democratic [ranking member](#) on the House Budget Committee in the next Congress, said he supports reducing the deficit but that federal employees shouldn't be singled out.

"This is a very small piece in a very big challenge," he said.

Still, FDA worker Linda Fobbs said the freezes are "a necessary sacrifice."

"Government workers, we have pretty much job security, so I really appreciate it during the time that all of these people have been out of work. So I hate it, but I understand it," said Fobbs, a 42-year-old administrative professional who lives in Laurel, Md.

Bob Wotkowski, 61, a property manager for the General Services Administration, said he's happy to have a job, but doesn't expect the freeze to do much for the overall deficit.

"It's just a political move that makes everybody get that warm, fuzzy feeling," Wotkowski, of Silver Spring, Md., said.